(a) what was the target of Fringe benefit Tax collection for the year, 2006-07;

(b) how much has been collected so far;

(c) the number of cases of FBT pending before the appellate authorities since its introduction, year-wise, the details of the number of cases and the amount involved in such cases;

(d) the number of cases which have been disposed off so far, the number of disposal and the amount involved;

(e) whether Government have taken a view on the industry's demand to replace FBT with a higher Corporate tax; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The target of Fringe Benefit Tax collection relating to financial year 2006-07 is Rs. 4,800 crore.

(b) Rs. 4,027 crore has been collected up to February, 2007.

(c) and (d) As per provisions of the Income-tax Act, appeals are filed only on completion of assessment. Fringe Benefit Tax as introduced by Finance Act, 2005 is applicable from assessment. year 2006-07 and the time limit for completion of assessment for assessment year 2006-07 shall be over on 31.12.2008.

(e) and (f) Since FBT is a tax on disguised perquisites to employees by employers and is justified both on the principles of vertical and horizontal equity, there is no case for replacing it with a higher corporate income-tax.

Opening of branches by foreign banks

2309. SHRIMATI PREMA CARIAPPA:
SHRIMATI SHOBHANA BHARTIA:

Will the Minister of FINANCE be pleased to state:

(a) whether Ministry of Commerce and Industry proposal that foreign banks may be allowed to open maximum of 100 branches in a year, has been considered by the Cabinet;

(b) whether the Ministry has also suggested that half of these branches must come up in rural areas;

(c) if so, whether according to RBI norms and the WTO binding, foreign banks can open 12 branches a year and both have suggested for allowing 20 branches in a year now; and

(d) if so, to what extent Government have agreed to allow foreign banks to operate in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir. Ministry of Commerce and Industry has not submitted any such proposal for consideration of the Cabinet.

(c) and (d) In the "Road Map for presence of foreign banks in India" issued by Reserve Bank of India on 28.02.2005, it is proposed to go beyond the existing WTO commitment of 12 branches in a year for new and existing foreign banks and to follow a more liberal policy for under-banked areas. As per India's Revised Offer under the on-going negotiations of General Agreement on Trade in Services of the World Trade Organisation (WTO), it has been offered to raise the number of new licences for foreign bank branches to 20 per year.

Bill raising FDI in Insurance Sector

2310. MAULANA OBAIDULLAH KHAN AZMI:
SHRI KAMAL AKHTAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he had informed the Chancellor of Exchequer, UK in New Delhi on 18th January 2007 that a Bill raising FDI in Insurance Sector will be introduced in the Budget Session of Parliament; and

(b) if so, what are Government's plan for introduction and passage of the Bill in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) In the Budget speech for 2004-05, it was announced that Foreign Direct Investment (FDI) in Insurance Sector would be increased from 26% to 49%. Later, it was